

ANNUAL ADMINISTRATIVE DETERMINATION LETTER FACSIMILE

May 2, 1993

Mr. John Smith
U.I. Administrator
Argenta Employment Security Commission
123 Main Street
Magenta, Argenta 30719

Gentlemen:

During calendar year 1992, the Unemployment Insurance Regional Office conducted a series of reviews of the State's Quality Control (QC) operations to ensure uniformity in the administration of the program and to ensure compliance with QC Regulations and ET Handbook No. 395, Benefits Quality Control State Operations Handbook. Regional monitoring consisted of a Methods and Procedures (M&P) review of the Argenta QC organization, authority, written operating procedures, and forms; a review of the sampling program; a review of adherence to the timeliness requirements for completion of case investigations; and a review of the adequacy and accuracy of the investigative process through monitoring 150 completed QC cases. The Annual QC Administrative Determination is enclosed.

The Regional Office has determined that the Argenta Employment Security Commission did not meet the Federal Quality Control timeliness requirements during 1992. A corrective action plan to resolve this inadequacy should be developed for inclusion in your Program Budget Planning (PBP) submission. Although no benchmarks have been established for determining the adequacy of case investigation, a problem of sufficient magnitude to require corrective action did arise when reviewing fact-finding. The details of these inadequacies are furnished later in this letter.

The Regional Office has determined that the Argenta Employment Security Commission did meet the requirements for organization, authority, written operating procedures, forms and QC sampling.

The review of administrative areas resulted in the following findings:

Organization: The requirement for organization is being met now that previous negotiations have resulted in the QC Supervisor's reporting to the U. I. Director rather than the Chief of Benefits.

Authority: The requirement for authority is being met; however, discussions are continuing in an attempt to grant additional authority to QC investigators to issue determinations which should result in improving case completion timeliness performance.

Written Procedures: The written procedures developed by the QC Unit are outstanding and have been used as a model by other States.

Forms: All of the QC forms necessary to conduct the QC program have been developed and meet the requirements.

SESA Sample Selection: During the routine reviews throughout the year, only one extraneous case was selected. Additional edits were immediately implemented to eliminate the cause of this problem. No other problems have surfaced.

Timeliness of Case Completion: ET Handbook No. 395 requires that 70% of QC cases investigated be completed within 60 days and 95% of the cases investigated be completed within 90 days. However, only 58% of the case investigations were completed within 60 days and 79% within 90 days.

An analysis of the 52 delayed cases showed that 23 cases were untimely because of delayed responses to Interstate requests (uncontrollable); 3 cases were untimely because the QC Unit delayed some investigative action (controllable); and 32 cases were delayed as the result of the failure of another unit within the SESA to complete action timely (controllable). It is our understanding that discussions are continuing in an attempt to grant authority to QC investigators to issue all determinations (except monetary). This action should go a long way toward resolving the problem of untimely completion of case investigations.

Investigative Procedures: Although no benchmarks currently exist to determine whether or not SESAs meet the requirement, our review of 150 cases reveals the following:

Prior to April 10, 1992, the QC Unit failed to set up overpayments if the total amount was less than \$40, although Argenta law requires that all overpayments be established and recouped. After discussion, it was determined to take action on all overpayments in accordance with State law. It is our understanding that the Department's Advisory Council is formulating an amendment to the law which would allow the SESA to waive the establishment of overpayments of \$35 or less if the erroneous benefits were received through no fault of the claimant.

There was a dispute concerning the Quality Control in-person verification requirement during the first quarter of 1992. This dispute was resolved and verifications subsequent to August, 1992, have been conducted in accordance with Quality Control requirements.

The primary area of concern at this time is the pursuit of issues (fact-finding) by the Quality Control investigators. Although there was some improvement in fact-finding following the QPI training conducted by the Regional Office, the quality declined to an unacceptable level several months later. There were 58 nonmonetary determinations in the 150 case files reviewed. Most of the nonmonetary determinations (46) were initiated in the local office with the remainder initiated by the QC Unit. The fact-finding contained in the case files for 53 of these nonmonetary determinations was not sufficient to support the determinations. These were coded as "pursuit exceptions." It is the responsibility of the QC investigator to review all prior actions on a case including a thorough analysis of nonmonetary determinations. When it is questionable that sufficient fact-finding has been conducted to support a determination, the QC investigator must conduct "new and original" fact-finding. It will be necessary to develop a corrective action plan in your PBP to address this issue.

We are pleased to note that the two work groups that were established following the meeting with Arlandria have been meeting regularly and expect to have recommendations prepared in the near future. They have expanded their focus from work search and fraud cases to include review of all QC findings. It appears that Argenta soon will be one of the leaders in effective analysis and usage of QC data for program improvement.

Regional Office staff members would be pleased to assist in the development of a corrective action plan upon your request. We look forward to the opportunity to assist your staff in any way we can.

Sincerely,

Shirley Jones
Regional Administrator
Region XXII

Enclosure

cc: National Office

QC-9 - ANNUAL QC ADMINISTRATIVE DETERMINATION

State Argenta Date of Completion April 15, 1993

Name of Regional Staff Person
Completing Determination Wanda Garner

<u>Requirement</u>	<u>Regional Office Determination</u>	
	<u>SESA Adheres</u>	<u>SESA Does Not Adhere</u>
Organization	<u>X</u>	<u> </u>
Authority	<u>X</u>	<u> </u>
Written Procedures	<u>X</u>	<u> </u>
Forms	<u>X</u>	<u> </u>
SESA Sample Selection	<u>X</u>	<u> </u>
Timeliness of Case Completion	<u> </u>	<u>X</u>
Investigative Procedures	<u>NA</u>	<u>NA</u>

If any requirement(s) is(are) not met, explain SESA status. Additional narrative and documentation should be attached to support the conclusion, if not previously transmitted.

SESA performance of 58% of case investigations completed within 60 days and 79% within 90 days does not meet requirement of 70% and 95% respectively. The majority of delayed cases result from QC referral to other units for completion of determinations. This is a SESA-controllable delay.

Summary Determination:

SESA's administration of the Quality Control program

 meets X does not meet Federal regulations.

Comments: ET Handbook No. 395, Benefits Quality Control State Operations Handbook, requires 70% of QC case investigations be completed within 60 days and 95% be completed within 90 days. Negotiations are ongoing to obtain authority for QC investigators to issue determinations. If this change in authority is granted, the problem of untimely case completion should be resolved.
(Use additional page if necessary.)